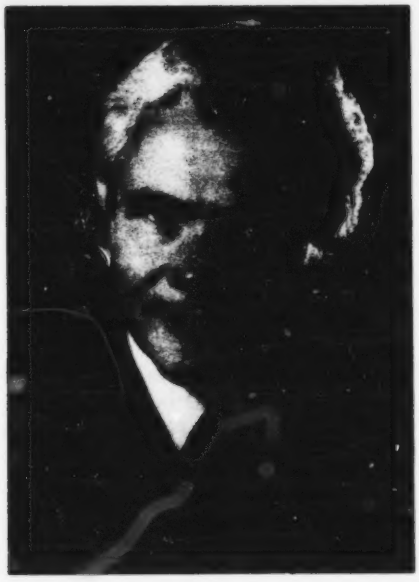
Province of Nova Scotia
Financial Statements
1983

Nova Scotia



This report presents the financial statements of the Province of Nova Scotia for fiscal year ended March 31, 1983.

As part of our ongoing process of facilitating improved reader comprehension, these statements have been designed to provide information in a more understandable format.

The complete Public Accounts will be presented to the Legislative Assembly at its next session.

Hon. Joel R. Matheson, Q.C.
Minister of Finance

Financial Statements 1983

Nova Scotia

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Auditors' Report

Auditors' Report

The Honourable Joel R. Matheson, Q.C.,
Minister of Finance,
Province of Nova Scotia,
Halifax, Nova Scotia

Sir:

We have examined the statement of financial position of the Province of Nova Scotia as at March 31, 1983 and the statements of consolidated fund transactions and of current revenue and expenditure for the year then ended together with notes to the financial statements and the supporting statements. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Province of Nova Scotia as at March 31, 1983 and the results of its consolidated fund transactions and of its operations for the year then ended in accordance with the accounting policies stated in the notes to the financial statements on a basis consistent with that of the preceding year except as explained in Note 2.

Touche Ross & Co.
Chartered Accountants

Montreal, Quebec,
August 9, 1983.

Statement of Financial Position

as at March 31, 1983

		1983	1982
		(in thousands)	
ASSETS			
Current Assets:			
Cash and short-term investments		$ 20,708	$ 10,870
Accounts receivable		199,706	172,395
Inventories		32,203	32,752
Advances		2,210	2,520
		254,827	218,537
Capital Assets:			
Advances (Note 7)		873,361	861,218
Investments (Note 7)		15,629	13,396
		888,990	874,614
		$1,143,817	$1,093,151
LIABILITIES			
Current Liabilities:			
Bank advances		$ 61,820	$ 56,032
Accounts payable		171,353	175,598
Accrued interest		117,926	89,561
		351,099	321,191
Capital Liabilities:			
Debentures (Note 8)		3,063,712	2,575,530
Less: Specific Sinking Funds (Note 8)	$567,176		
General Sinking Funds	18,641	585,817	502,412
		2,477,895	2,073,118
Government of Canada loans (Note 9)	52,859		
Less: Specific Sinking Funds	3,152	49,707	52,902
Other indebtedness		96	896
		2,527,698	2,126,916
Deficiency in net assets of Sydney Steel Corporation (Note 5)		140,352	101,337
		3,019,149	2,549,444
NET DIRECT DEBT			
Net Direct Debt		(1,875,332)	(1,456,293)
		$1,143,817	$1,093,151
Trust Funds under Administration		$ 913,799	$ 779,581
Contingent Liabilities (Notes 5 and 10)			

Consolidated Fund Transactions

for the fiscal year ended March 31, 1983

	1983	1982
	(in thousands)	
Budgetary Transactions		
Current Account		
Excess of Current Operating Expenditure over Revenue and Recoveries	$249,023	$180,309
Sinking Fund Instalments and Serial Retirements	45,068	34,274
Net Revenue Deficit	294,091	214,583
Capital Account		
Net Capital Expenditures	182,902	249,581
Advance under the Appropriations Act	69	60
Net Budgetary Transactions	477,062	464,224
Non-Budgetary Transactions		
Capital Expenditures for which no vote is required	3,500	3,244
Net Increase in Advances and Investments	29,123	75,611
Expenditures from Reserve Accounts	3,451	16,229
Earnings on sinking funds pertaining to borrowings for Nova Scotia Power Corporation credited to their Advances	1,810	1,536
Debt Retirement not chargeable to Current Revenue	14,341	11,172
Non-Budgetary Transactions	52,225	107,792
Total Budgetary and Non-Budgetary Transactions	529,287	572,016
Less: Non-Fund Requiring Transactions	25,985	4,903
	$503,302	$567,113
Funds Provided By:		
Proceeds of Debentures Issued	$509,218	$541,707
Proceeds of disposal of Capital Assets	466	1,352
Increase (decrease) in Net Current Liabilities	(6,382)	24,054
	$503,302	$567,113

Current Revenue and Expenditure

for the fiscal year ended March 31, 1983

	1983			1982
	Estimate	Forecast (in thousands)	Actual	Actual
Revenue and Recoveries				
Provincial Sources				
Income Taxes	$ 529,474	$ 461,478	$ 461,478	$ 411,342
Sales Taxes	468,881	420,375	432,131	339,826
Interest Revenue	76,172	76,700	76,187	63,475
Liquor Commission	77,319	67,630	68,631	65,143
Transportation and Registry of Motor Vehicles	34,018	31,437	31,780	27,830
Other Provincial Revenue	53,761	48,899	49,321	45,897
Federal Sources				
Equalization	605,804	576,000	576,000	525,610
Established Programs Financing	239,540	247,700	247,686	248,479
Shared Cost Programs	140,585	126,921	127,673	126,897
Other Federal Payments	2,259	2,251	2,251	2,267
Other Recoveries	37,956	45,133	45,927	33,757
	2,265,769	2,104,524	2,119,065	1,890,523
Expenditure				
General Government	84,136	80,548	77,808	68,630
Public Protection	63,457	61,078	60,332	57,931
Transportation and Communication	95,225	102,146	93,204	103,489
Resource Development	215,346	191,205	193,396	198,819
Health	625,038	630,783	622,228	538,809
Social Welfare	231,729	234,533	235,930	200,051
Education	651,597	661,955	660,413	548,542
Culture and Recreation	23,364	21,723	21,541	20,948
Services to the Public Debt (Note 2[A])	336,809	331,259	354,338	242,181
Municipal Affairs	68,354	68,367	68,565	138,313
	2,395,055	2,383,597	2,387,755	2,117,713
Excess of Current Operating Expenditure over Revenue and Recoveries before prior years' adjustments	129,286	279,073	268,690	227,190
Prior Years' Adjustments — Federal-Provincial Fiscal Arrangements	—	(14,084)	19,667	46,881
Excess of Current Operating Expenditure over Revenue and Recoveries	129,286	293,157	249,023	180,309
Sinking Fund Instalments and Serial Retirements (Note 8)	45,418	45,418	45,068	34,274
Net Revenue Deficit	$ 174,704	$ 338,575	$ 294,091	$ 214,583

Capital Expenditures

for the fiscal year ended March 31, 1983

	1983			1982
	Estimate	Forecast	Actual	Actual
	(in thousands)			
Capital Expenditures				
General Government	$ 3,305	$ 3,121	$ 2,828	$ 3,635
Public Protection	1,098	1,077	987	2,780
Transportation and Communication	100,300	104,395	102,878	141,205
Resource Development	79,548	54,130	55,519	108,937
Health	35,527	32,164	28,384	23,645
Social Welfare	---	---	---	116
Education (Note 2[B])	17,654	15,838	14,938	7,426
Culture and Recreation	2,430	2,129	1,711	7,508
Municipal Affairs (Note 2[B])	16,114	15,715	15,711	---
	255,976	228,569	222,956	295,252
Less: Recoveries	56,509	34,085	36,554	42,427
Net Capital Expenditures	$199,467	$194,484	$186,402	$252,825

Note: Capital Expenditures consist of budgetary and non-budgetary transactions which for the year ended March 31, 1983 amounted to $182,902,000 and $3,500,000 respectively (1982 - $249,581,000 and $3,244,000).

Changes in Net Direct Debt

for the fiscal year ended March 31, 1983

	1983	1982
	(in thousands)	
Net Direct Debt — beginning of year	$1,456,293	$1,025,079
Add:		
Excess of Current Operating Expenditure over Revenue and Recoveries	249,023	180,309
Net Capital Expenditures	186,402	252,825
Increase in provision for doubtful advances and investments (Note 1[D])	14,817	71,718
Expenditures from Reserve Accounts (Note 1[B]) —		
Funds created from Special Reserve Account	3,435	11,713
Health Services Reserve Account	16	4,516
Increase (decrease) in deficiency of net assets of Sydney Steel Corporation for the fiscal year (Note 5)	39,014	(51,100)
Foreign exchange charges on sinking fund instalments and serial retirements (Note 2[A])	7,264	4,930
Deferred charge in respect of the translation of foreign debt (Note 2[A])	---	5,171
Discounts on debentures issued (Note 1[F])	6,038	7,997
Total Additions to Net Direct Debt	506,009	488,079
Deduct:		
Income from sinking funds (Note 1[E])	60,519	50,610
Proceeds of disposal of Crown Assets	466	1,352
Non-Fund Requiring Charges —		
Amortization of discounts on debentures (Note 1[F])	2,283	1,659
Depreciation in respect of Department of Transportation machinery (Note 1[G])	3,500	3,244
Charge to current expenditure in respect of accounting change for debentures payable in U.S. currency (Note 2[A])	20,202	---
Total Deductions from Net Direct Debt	86,970	56,865
Increase in Net Direct Debt for the year	419,039	431,214
Net Direct Debt — end of year	$1,875,332	$1,456,293

Notes to the Financial Statements

March 31, 1983

1. Financial Reporting and Accounting Policies

[A] General

As part of the ongoing process of facilitating improved reader understanding of the Province's financial statements, changes have been made in the format of the financial statements for fiscal 1983 with resulting restatement of 1982 comparative figures. Accordingly, certain financial information formerly presented in the statement of assets and liabilities (now the statement of financial position) and in supporting statements has been reclassified and is disclosed elsewhere in the financial statements or in the accompanying notes.

In addition, accounting policy changes have been made for fiscal 1983, including the method for accounting for debentures payable in U.S. currency and related sinking funds, with resulting restatement of 1982 comparative figures (See Note 2).

The basic financial reporting and accounting policies followed by the Province are described below.

The Province's financial statements are presented so as to highlight net direct debt, a measurement of financial position. Net direct debt consists of the direct liabilities of the Province less its realizable assets. Capital expenditures on assets of a long-term nature such as highways and public buildings are not considered to be realizable assets for purposes of calculating net direct debt.

Transactions affecting net direct debt are summarized in the statement of changes in net direct debt and comprise current operating expenditures and revenues, capital expenditures, changes in provisions for doubtful capital advances and investments, earnings on sinking funds, foreign exchange transactions relating to debentures payable in U.S. and other foreign currencies, discounts on debentures issued, expenditures from reserve accounts, and changes in the deficiency in net assets of Sydney Steel Corporation.

In previous years, transactions affecting net direct debt were also reflected on a cumulative basis in the statement of financial position. Over a period of years, however, it has been impracticable to reflect accurately the service lives of capital expenditures for assets such as highways and bridges with a resulting impact on the fairness of the carrying values in the statement of financial position of the accumulated capital expenditures, related reserve accounts and surplus. Therefore, in order to improve the financial presentation, the statement of financial position now reflects only those assets and liabilities which comprise net direct debt. The transactions affecting net direct debt continue to be shown annually in the statement of changes in net direct debt and, this year, cumulatively as reflected in Note 4.

The receipt of public revenues, the disbursement of public funds, the control of expenditures and the keeping and auditing of the accounts of the Province are governed by various Provincial statutes. All receipts and disbursements of public money must flow through the Consolidated Fund of the Province, which Fund does not include special funds such as trust, pension and sinking funds. Receipts and disbursements consist of current revenue and expenditure, capital expenditures and recoveries, advances and investments and other transactions, such as expenditures from reserve accounts and for debt retirement. Any net cash requirement of the Consolidated Fund is provided by the Province's traditional sources of financing, including internal sources and borrowings in financial markets.

The budgetary estimates as approved by the Legislative Assembly provide the authority for current and capital expenditures and indicate the anticipated revenues and recoveries of the Province for the fiscal year. Authority for current expenditure expires at the end of the fiscal year. Authority for capital expenditure provided for a fiscal year does not expire until the end of the following fiscal year.

Authority for current and capital expenditure is also provided by special legislation and by order of the Lieutenant Governor in Council under the authority of the Provincial Finance Act.

The budgetary estimates presented annually to the Legislative Assembly also include a forecast for the previous fiscal year indicating revisions of revenue and expenditure projections.

The accounts of the Province are kept on the accrual basis, revenues being recorded when earned and expenditures being recorded when the liabilities are incurred. Interest on advances made by the Province is, however, included in revenue only as collected. Payments from the Federal Government under the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act and the Tax Collection Agreement are subject to adjustment in future years.

Profits and losses of corporations and agencies owned or controlled by the Province, with the exception of the Nova Scotia Liquor Commission, are not reflected in the revenues and expenditures of the Province except to the extent of any operating grants made by the Province. Operating grants are normally reflected as current expenditure. Profits of the Nova Scotia Liquor Commission are included in current revenue of the Province. The Province provides for the deficiency in the net assets of Sydney Steel Corporation in the calculation of net direct debt.

[B] Net Revenue Surplus (Deficit), Special Reserve and Health Services Reserve Accounts

The annual net revenue surplus (deficit) consists of current account revenues and recoveries, excluding sinking fund earnings, less charges against current account appropriations, including annual sinking fund instalments and serial retirements in respect of capital liabilities.

Under the Provincial Finance Act, the net revenue surplus in any year may be transferred to special reserve account. The Health Services Tax Act provides that the Minister of Finance may pay out of the Consolidated Fund of the Province such sums as are deemed necessary to establish the health services reserve account. Amounts in these accounts and funds created therefrom may be used for the various purposes defined under the Acts.

The balance of net revenue surplus (deficit) before charging sinking fund instalments and serial retirements (net operating surplus [deficit]) is transferred to the Net Direct Debt account at the close of each fiscal year.

[C] Capital Expenditures

Capital expenditures incurred under the authority of capital account appropriations are charged to capital in the Province's accounts and include certain expenditures on assets of a long-term nature to which title may vest with entities other than the Provincial Government (such as hospitals or municipalities), but which are considered to be for the benefit of the general populace of the Province. Capital expenditures are not considered to be realizable assets for purposes of calculating net direct debt.

[D] Capital Advances and Investments

Capital advances and investments, including those to or on behalf of corporations and agencies owned or controlled by the Province, are generally made under the authority and limitations of various Provincial statutes. Losses and provisions for losses on capital advances and investments are charged directly to the Net Direct Debt account.

[E] Debentures and Sinking Funds

The Province's debentures payable in U.S. currency (and related sinking funds) and in other foreign currencies are carried in the statement of financial position at the Canadian dollar equivalent at rates of exchange in effect at the date of issue. Accrued interest on debentures payable in U.S. and other foreign currencies is reflected in the statement of financial position at year-end rates of exchange. Foreign exchange rate adjustments arising on payments of sinking fund instalments and of interest are reflected in current expenditure.

The Province operates sinking funds for the purpose of retiring capital liabilities. These sinking funds are reflected in the statement of financial position at cost adjusted for the amortization of premiums and discounts on investments. Pursuant to the Provincial Finance Act, sinking fund instalments and serial retirements of capital liabilities are treated as a current expenditure in the calculation of net revenue surplus (deficit).

Earnings on sinking funds are credited directly to the Net Direct Debt account and are not reflected as current account revenue.

[F] Discounts on Debentures

Discounts on debentures and related underwriting commissions are amortized over the terms of the debenture issues by annual charges to current expenditure. Unamortized discounts at March 31, 1983 amounted to $25,399,000 (1982 - $21,859,000).

[G] Department of Transportation Machinery

Current and capital expenditures of the Department of Transportation include charges in respect of the depreciation of machinery which during the year totalled $3,500,000 (1982 - $3,244,000). At March 31, 1983, accumulated depreciation, net of amounts related to machinery which has been disposed of, amounted to $25,853,000 (1982 - $23,696,000).

2. Changes in Accounting Policies

[A] At March 31, 1983 debentures payable in U.S. currency and related sinking funds are reflected in the statement of financial position at the Canadian dollar equivalent at rates of exchange in effect at the date of issue (Note 1[E]). In prior years, debentures payable in U.S. currency and related sinking funds were carried in the statement of financial position at the rate of U.S. $1 equals Canadian $1. Exchange premiums on the conversion of the proceeds of debentures payable in U.S. currency were carried as a reserve in the Province's accounts with foreign exchange rate adjustments arising on the payment of sinking fund instalments and serial retirements in foreign currencies also being reflected in the reserve account.

This accounting change results in an increase in the carrying value in the statement of financial position at March 31, 1983 of debentures payable in U.S. currency of $146,201,000 (1982 - $104,690,000), and an increase of related sinking funds of $16,148,000 (1982 - $13,062,000).

At March 31, 1983 accrued interest on debentures payable in U.S. and other foreign currencies has been reflected at rates of exchange in effect at that date. In previous years, accrued interest on debentures payable in U.S. currency was reflected at the rate of U.S. $1 equals Canadian $1. Accrued interest on debentures payable in other foreign currencies was reflected at rates of exchange in effect at the date of issue. This accounting change has resulted in an increase in the carrying value of accrued interest payable in the statement of financial position at March 31, 1983 of $9,839,000 (1982 - $8,175,000).

These accounting changes have resulted in an increase in debt charges in current expenditure for the year ended March 31, 1983 of $21,865,000 (of which $16,636,000 relates to prior years) and an increase in net direct debt at March 31, 1983 of $139,892,000 (1982 - $99,803,000).

Figures for the year ended March 31, 1982 have been restated for comparative purposes.

[B] As a result of amendments in provincial assistance programs, the Province is making grants to municipalities and school boards to be used solely for capital purposes. In accordance with the Province's capital expenditure policy (Note 1[C]), these grants are included as capital expenditures for the year ended March 31, 1983 and total $21,986,000. In prior years, grants of this nature have been included in current expenditure.

3. Special Reserve and Health Services Reserve Accounts

Pursuant to authority granted by the Lieutenant Governor in Council, expenditures may be made from funds created from special reserve account and health services reserve account rather than being reflected in the calculation of net revenue deficit or as capital expenditures. Expenditures from these accounts for the fiscal year ended March 31, 1983 amounted to $3,451,000 (1982 - $16,229,000).

The unexpended balances of these accounts at March 31, 1983 amounted to $8,364,000 (1982 - $11,804,000) of which $4,906,000 (1982 - $5,597,000) had been authorized to be advanced or expended and $3,458,000 (1982 - $6,207,000) represented unappropriated balances of the accounts.

4. Net Direct Debt

The Net Direct Debt account of the Province results from the following accumulated transactions:

	as at March 31	
	1983	1982
	(in thousands)	
Capital Account		
Capital Expenditures	$1,924,071	$1,739,479
Less: Accumulated depreciation on Department of Transportation machinery	(25,853)	(23,696)
	1,898,218	1,715,783
Provision for unrecoverable Capital Advances and Investments (a)	151,365	136,538
	2,049,583	1,852,321
Current Account		
Net Revenue Deficits (a and b)	621,562	327,471
Less: Unexpended balances in Reserve accounts (Note 3)		
- Special Reserve	(508)	(508)
- Funds created from Special Reserve	(6,820)	(10,244)
- Health Services Reserve	(1,036)	(1,052)
	613,198	315,667
Deficiency in net assets of Sydney Steel Corporation (a)	140,352	101,337
Unamortized discounts on Debentures	25,399	21,859
Deferred charges in respect of foreign debt (Note 2[A])	---	16,636
Deduct: Provision for debt retirement and sinking fund earnings (a)	(953,200)	(851,527)
Net Direct Debt	$1,875,332	$1,456,293

(a) In previous years, the statement of financial position presented the accumulated surplus and the sinking fund reserves. The total of these balances is represented in the above table by the provision for debt retirement and sinking fund earnings less the sum of net revenue deficits, provision for unrecoverable capital advances and investments and the deficiency in net assets of Sydney Steel Corporation.

(b) Pursuant to provisions of the Provincial Finance and Health Services Tax Acts, net revenue surpluses of previous years have been transferred to the special reserve and health services reserve accounts. Except for the unexpended balances indicated, funds in the reserve accounts have been expended pursuant to authorities granted by the Lieutenant Governor in Council.

5. Sydney Steel Corporation (Sysco)

At March 31, 1983 the Province had given guarantees in respect of Sysco as follows:

	(in thousands)
Guarantees of	
- Short term loans (of a $238,000,000 guaranteed line of credit)	$229,831
- U.S. $29,900,000 of debentures	27,958 (1)
- Performance bonds and letters of credit (of a $5,000,000 guaranteed line of credit)	2,414
	$260,203

(1) Canadian dollar equivalent at the time of issue, net of sinking funds.

During the fiscal year ended March 31, 1983 the Province recorded a net charge of $39,014,000 in the calculation of net direct debt in respect of the change in Sysco's net assets during the year as follows:

- Net loss of Sysco for the year after adjusting for transfer of $1,643,000 from appraisal surplus in respect of depreciation charges	$58,020
- Less: Equity contributions by Province to Sysco for debt retirement ($6,890,000) and capital construction ($12,116,000)	19,006 (2)
	$39,014

(2) Charged to capital expenditures in the Province's accounts.

To March 31, 1983 the Province had reflected $140,352,000 in the calculation of net direct debt in respect of the deficiency in Sysco's net assets.

In addition, to March 31, 1983 the Province had made cumulative operating grants to Sysco totalling $154,875,000, of which $128,375,000 was charged to current expenditure (including operating grants of $10,272,000 for the fiscal year ended March 31, 1983 [1982 - $11,575,000]) and $26,500,000 to a fund created from special reserve account. To March 31, 1983 the Province had also converted $52,332,000 of advances to Sysco to equity, made $54,319,000 in equity contributions for debt retirement purposes, and contributed approximately $44,718,000 in respect of capital expenditure programs of which approximately $31,775,000 has been recovered from the Federal Government.

The Province and the Government of Canada have signed an agreement to contribute to a Sysco capital construction program estimated to cost $95,415,000, including capital, administrative and environmental costs. The Federal Government will provide eighty percent of the costs to a maximum of $77,000,000 with the balance to be provided by the Province. To March 31, 1983 $34,000,000 had been spent or committed on the program.

The ability of Sysco to continue as a viable operation is dependent on the continued financial support of the Province and on an improved level of operating results. It is not possible to determine at present the extent of any losses that may be incurred by the Province on its equity contributions to Sysco and on its guarantees of Sysco's indebtedness.

6. Assistance to Nova Scotia Power Corporation (NSPC)

Pursuant to Agreements between the Province and NSPC, the Province is making annual grants of $4,500,000 for rural electrification assistance and is absorbing debt servicing costs in respect of NSPC's foreign debt at March 31, 1980 in excess of an assumed equivalent cost of borrowing in Canadian funds at the time of issue, which amounted to $6,253,000 for the year ended March 31, 1983. During the fiscal year ended March 31, 1983 the Province also provided general operating grants to NSPC totalling $31,500,000.

The Board of Commissioners of Public Utilities of Nova Scotia has approved rate increases which, together with the grants under the Agreements, are designed to enable NSPC to operate on a break-even basis for the fifteen month period ending March 31, 1984. The Province has provided $11,300,000 in the budgetary estimates for the fiscal year ending March 31, 1984 for assistance to NSPC under these Agreements.

7. Deuterium of Canada Limited (Deuterium)

On February 9, 1978 an agreement was signed for the sale of the facilities of Deuterium and its subsidiaries to Atomic Energy of Canada Limited (AECL), the Federal Government corporation responsible for Canada's nuclear program. The purchase price is being paid in quarterly instalments over 20 years, which commenced April 1, 1978, amounting to $3,300,000 per year. Title to the facilities will pass upon payment of the final instalment.

The instalments are being paid by AECL to a trustee, which is obligated to invest the funds and the earnings thereon in debentures of the Province yielding 5.5% to maturity. These investments amounted to $18,844,000 at March 31, 1983. At the date of the final payment, January 1, 1998, the fund will total $118,900,000 and will be used to repay the Province's advances to and investment in Deuterium.

At March 31, 1983 advances to and investment in Deuterium amounted to $110,927,000 and $3,025,000, respectively. Since March 31, 1970 the Province has waived interest on its advances to Deuterium.

8. Debentures and Sinking Funds

Debentures payable in U.S. Dollars and related sinking funds and debentures payable in other foreign currencies are reflected in the statement of financial position at the Canadian dollar equivalent at rates of exchange in effect at date of issue.

Debentures outstanding and related sinking funds at March 31, 1983 were as follows:

	Debentures Outstanding	Specific Sinking Funds (1)	Net
		(in thousands)	
Payable in Canadian currency			
— Canada Pension Plan Investment Fund	$ 901,932	$152,084	$ 749,848
— Other Issues	895,170	171,591	723,579
	1,797,102	323,675	1,473,427
Payable in U.S. currency	1,175,550	230,065	945,485
Payable in other foreign currencies	91,060	13,436	77,624
	$3,063,712	$567,176	$2,496,536

(1) In addition, at March 31, 1983 the Province had general sinking funds amounting to $18,641,000.

Sinking funds consist primarily of Province of Nova Scotia debentures. Sinking funds for debentures in U.S. currency are invested in U.S. funds. Where feasible, sinking funds for debentures payable in other foreign currencies are invested in the currency of the issue, with the balance invested in Canadian funds.

The Canadian dollar equivalent of the principal portions of debentures payable in U.S. currency, net of sinking funds, at the rate of exchange in effect at March 31, 1983 was approximately $1,008,771,000.

The Canadian dollar equivalent of the principal portion of debentures payable in other foreign currencies at rates of exchange in effect at March 31, 1983 was approximately $86,453,000.

Sinking fund instalments and serial retirements and other amounts charged to current revenue during the fiscal year ended March 31, 1983 amounted to $52,145,000 of which $35,024,000 represented required payments for the fiscal year. These payments, net of amounts totalling $7,077,000 pertaining to borrowings of certain Crown corporations, Government of Canada loans on behalf of municipalities and liabilities in respect of expenditures from reserve accounts, are reflected in the calculation of net revenue deficit.

9. Government of Canada Loans

Government of Canada loans include funds provided in respect of municipal projects under federally sponsored programs which the Province in turn advanced to municipalities under similar terms and conditions. These advances amounted to $25,351,000 at March 31, 1983 (1982 - $26,833,000).

10. Contingent Liabilities

The Province acts as a guarantor of debt issued by crown corporations, agencies, and various other agencies under authorities provided by Provincial statutes. At March 31, 1983 the Province had directly guaranteed bank loans, bonds, debentures, etc. totalling $1,635,562,000 of which $1,028,592,000 represented debt of Nova Scotia Power Corporation, a government owned electrical utility. The following items are in addition to these direct guarantees.

The Province is contingently liable, pursuant to an agreement between the Government of Canada and the Province entered into under the Atlantic Provinces Power Development Act, for the repayment by the Nova Scotia Power Corporation of long-term notes payable to the Government of Canada amounting to $50,570,000 at March 31, 1983.

On March 26, 1973 the Province entered into an agreement with the Congregation of the Sisters of Charity of Halifax whereby the Province acquired control of the Halifax Infirmary and agreed that first mortgage notes payable by the Halifax Infirmary, which have been guaranteed by the Sisters and amounted to $428,000 at March 31,1983, will be paid to the exoneration of the Sisters.

At March 31, 1983, the Province had guaranteed performance bonds and letters of credit totalling $2,414,000 for Sydney Steel Corporation.

11. Commitments

The Province was obligated to the extent of approximately $38,385,000 for construction contracts entered into on or before March 31, 1983 and not completed at that date.

12. Public Service Superannuation Plan

Employees of the Province and certain of its entities are entitled to receive pension benefits pursuant to the provisions of a plan established under the Public Service Superannuation Act. The operation of the plan is generally conducted within the Public Service Superannuation Fund to which employee and employer matching contributions and investment income are credited and payments to pensioners and terminating employees are charged. The Public Service Superannuation Fund is invested in federal, provincial, municipal and corporate securities and mortgages eligible for investment under the Provincial Finance Act.

The Public Service Superannuation Fund is not part of the Consolidated Fund of the Province. However, Provincial legislation and regulations provide that certain payments to pensioners are charged to the Consolidated Fund of the Province rather than to the Public Service Superannuation Fund. In addition, payments must be made by the Province out of its Consolidated Fund if the Public Service Superannuation Fund is insufficient to provide for pension payments as they become due.

Effective April 1, 1982, payments in respect of the portion of the annual indexing of pensions formerly charged to the Consolidated Fund of the Province are being charged to the Public Service Superannuation Fund. Such charges during the year which would have been reflected as current expenditure amounted to approximately $690,000. The Province has also passed legislation, subject to proclamation by order of the Lieutenant Governor in Council, providing for an increase in both employee and employer contribution rates of one half of one percent.

The latest actuarial valuation of the Public Service Superannuation Fund was based on information as at June 30, 1981. The report indicates fund liabilities at June 30, 1981, after providing for the indexing of pensions referred to above, totalled $547,300,000 of which $301,200,000 was represented by the actuarial value of the fund assets and $246,100,000 was unfunded.

Advances and Investments

as at March 31, 1983

	1983	1982
	(in thousands)	
Advances:		
Housing —		
Housing Development Act (net of Canada Mortgage and Housing Corporation and other borrowings of $83,398,000 in 1983 and $86,883,000 in 1982)	$122,357	$111,365
Resource and Industrial Development —		
Agriculture and Rural Credit Act	114,187	110,788
Fisheries Development Act	90,988	99,351
Industrial Loan Act	34,848	32,925
Industrial Development Act	78,389	70,795
Industrial Estates Limited Act	123,393	123,975
Nova Scotia Power Corporation Act	50,512	55,176
Deuterium of Canada Act	110,927	110,927
Small Business Development Corporation Act	11,233	7,919
Venture Corporations Act	2,290	607
Miscellaneous	7,073	7,214
Other —		
Loans to Municipalities	49,891	53,004
Universities Assistance Act	77,273	77,172
	873,361	861,218
Investments:		
Investments transferred to the Province from the Nova Scotia Power Corporation to repay the Corporation's indebtness	1,147	1,050
Other investments in Provincial agencies and other entities	14,482	12,346
	15,629	13,396
	$888,990	$874,614

Additional Advances, Investments and Repayments

for the fiscal year ended March 31, 1983

Additional Advances and Investments			Repayments	
1983	1982		1983	1982
(in thousands)			(in thousands)	
		Housing —		
$29,097	$ 57,295	Housing Development Act	$18,689	$20,303
		Resource and Industrial Development —		
13,523	27,498	Agriculture and Rural Credit Act	9,098	9,069
13,965	28,854	Fisheries Development Act	12,736	13,844
5,094	8,376	Industrial Loan Act	2,792	3,973
11,176	13,320	Industrial Development Act	3,342	4,022
14,601	8,913	Industrial Estates Limited Act	9,692	14,410
97	---	Nova Scotia Power Corporation Act	4,664	2,995
4,457	8,843	Small Business Development Corporation Act	823	321
1,682	607	Venture Corporations Act	---	---
671	588	Miscellaneous	306	9,383
		Other —		
855	1,002	Loans to Municipalities	3,967	3,708
1,830	3,610	Universities Assistance Act	1,730	963
---	18	Health Services Tax Act	---	---
$97,048	$158,924		$67,839	$82,991

Debentures

as at March 31, 1983

Series	Date of Issue	Date of Maturity	Rate	Amount Outstanding (in thousands)
Payable in Canadian Currency				
Canada Pension Plan Investment Fund (Note A)				
CP02	Feb. 1, 1967	Feb. 1, 1987	5.46%	$ 20,311
CP03	April 1, 1968	Feb. 1, 1988	5.72	24,639
CP04	June 1, 1969	Feb. 3, 1989	6.66	29,179
CP06	May 1, 1970	Feb. 2, 1990	7.51	30,965
T53	March 3, 1970	March 3, 1990	8.29	3,601
CP07	July 2, 1971	March 1, 1991	7.79	34,041
CP08	May 1, 1972	March 1, 1992	7.08	35,715
CP11	Aug. 1, 1973	March 1, 1993	7.36	38,567
CP13	Aug. 1, 1974	March 1, 1994	7.53	43,767
CP14	Aug. 1, 1975	March 10, 1995	8.55	50,910
CP15	Oct. 1, 1976	March 2, 1996	8.94	57,325
CP16	Nov. 1, 1977	March 3, 1997	9.00	59,709
CP18	Nov. 1, 1978	March 1, 1998	9.08	62,852
CP19	Feb. 1, 1980	March 1, 1999	9.56	68,176
CP20	Nov. 1, 1980	March 3, 2000	10.59	73,922
CP21	Oct. 1, 1981	March 2, 2001	12.70	78,277
CP22	April 1, 1982	March 1, 2002	15.43	96,251
T210	April 1, 1982	April 1, 2002	15.12	11,796
T211	May 3, 1982	May 3, 2002	15.25	14,759
T212	June 1, 1982	June 1, 2002	14.96	14,971
T213	July 2, 1982	July 2, 2002	15.38	9,648
T214	Aug. 2, 1982	Aug. 2, 2002	16.53	7,746
T215	Sept. 1, 1982	Sept. 1, 2002	15.54	7,617
T216	Oct. 1, 1982	Oct. 1, 2002	14.16	6,540
T217	Nov. 1, 1982	Nov. 1, 2002	13.43	8,001
T218	Dec. 1, 1982	Dec. 1, 2002	12.01	4,077
T219	Jan. 4, 1983	Jan. 4, 2003	12.14	3,813
T220	March 1, 1983	March 1, 2003	12.16	4,757
				901,932
Other Issues				
5R	July 1, 1961	July 1, 1983	5.50	10,300
7M	Dec. 15, 1976	Dec. 15, 1983	9.00	30,000
6A	March 1, 1964	March 1, 1984	5.50	12,500
5U	Dec. 15, 1961	Dec. 15, 1984	5.25	10,000
7X	May 1, 1980	May 1, 1985/1990	13.75	100,000
6D	May 1, 1965	May 1, 1985	5.25	15,000
Carried forward				177,800

Series	Date of Issue	Date of Maturity	Rate		Amount Outstanding (in thousands)
Brought forward					177,800
7R	Jan. 10, 1978	Jan. 10, 1986	8.625		25,000
8J	Sept. 30, 1982	Sept. 30, 1987	14.25		100,000
6M	Dec. 1, 1967	Dec. 1, 1987	7.00		6,600
8E	Jan. 28, 1982	Jan. 28, 1988	15.75		25,000
5Y	Feb. 15, 1963	Feb. 15, 1988	5.25		9,000
6P	June 15, 1968	June 15, 1988	7.50		15,000
6R	Oct. 15, 1968	Oct. 15, 1988	7.50		15,000
6Y	July 15, 1970	July 15, 1990	9.25		15,000
7A	March 1, 1971	March 1, 1991	7.25		20,000
6F	Nov. 1, 1966	Nov. 1, 1991	6.25		15,000
7C	Dec. 1, 1971	Dec. 1, 1991	7.625		15,000
6G	Jan. 2, 1967	Jan. 2, 1992	6.50		20,000
BN	Nov. 1, 1980	Dec. 1, 1983-1993	12.125		426
6B	March 1, 1964	March 1, 1994	5.50		7,500
7D	Dec. 1, 1971	Dec. 1, 1996	7.625		10,000
8G	April 15, 1982	April 15, 1997/1987	15.50		100,000
7Q	Jan. 1, 1979-1983	Jan. 1, 1998	5.50		18,844
7U	Dec. 21, 1978	Dec. 21, 1998	10.00		50,000
7W	Jan. 4, 1980	Jan. 4, 2000	11.25		75,000
7K	March 3, 1975	March 3, 2000	9.25		35,000
7Z	Dec. 29, 1980	Dec. 29, 2000	13.375		85,000
7S	March 15, 1978	March 15, 1984-2003	9.75		15,000
7V	March 30, 1979	March 30, 1985-2004	10.50		20,000
7T	Sept. 7, 1978	Sept. 7, 1984-2008	9.75		20,000
					895,170
Payable in United States Currency (Note B)					
6X	May 15, 1970	May 15, 1985	9.00	(U.S. $ 4,500)	4,825
8B	June 30, 1981	June 30, 1988	14.50	(U.S. $ 25,000)	30,041
8F	March 15, 1982	March 15, 1989	15.75	(U.S. $ 75,000)	91,139
8H	Aug. 1, 1982	Aug. 1, 1989	15.25	(U.S. $ 75,000)	93,755
6C	Dec. 1, 1964	Dec. 1, 1989	4.50	(U.S. $ 8,499)	9,129
7Y	July 15, 1980	July 15, 1990	10.75	(U.S. $ 46,670)	53,876
6E	Jan. 15, 1966	Jan. 15, 1991	5.125	(U.S. $ 4,080)	4,386
8A	June 30, 1981	June 30, 1991	15.00	(U.S. $ 75,000)	90,000
8D	Nov. 15, 1981	Nov. 15, 1991	15.75	(U.S. $125,000)	147,930
6H	Feb. 1, 1967	Feb. 1, 1992	5.875	(U.S. $ 40,000)	43,096
6J	July 1, 1967	July 1, 1992	6.25	(U.S. $ 35,000)	37,749
6K	Oct. 15, 1967	Oct. 15, 1992	6.50	(U.S. $ 35,000)	37,548
6N	Feb. 1, 1968	Feb. 1, 1993	7.00	(U.S. $ 40,000)	43,345
6Q	Aug. 1, 1968	Aug. 1, 1993	7.25	(U.S. $ 25,000)	26,998
6S	Nov. 15, 1968	Nov. 15, 1993	7.25	(U.S. $ 35,000)	37,529
6T	March 1, 1969	March 1, 1994	7.625	(U.S. $ 30,000)	32,234
AN	May 7, 1979	May & Nov. 11, 1989-May 11, 1994	9.85	(U.S. $ 50,000)	58,067
6U	Aug. 1, 1969	Aug. 1, 1994	8.625	(U.S. $ 35,000)	37,782
6V	Nov. 15, 1969	Nov. 15, 1994	9.00	(U.S. $ 35,000)	37,611
6W	March 15, 1970	March 15, 1995	9.75	(U.S. $ 20,000)	21,450
7P	Dec. 29, 1977	Dec. 29, 1983-1997	8.875	(U.S. $ 50,600)	53,717
8K	Feb. 1, 1983	Feb. 1, 1998	11.75	(U.S. $100,000)	123,584
7L	March 1, 1976	March 1, 2001	9.25	(U.S. $ 60,000)	59,759
					1,175,550

Debentures (continued)

Series	Date of Issue	Date of Maturity	Rate	Amount Outstanding (in thousands)
Payable in other Currencies (Note C)				
7E	Dec. 1, 1971	Dec. 1, 1986	7.75	12,126
7F	July 15, 1972	July 15, 1987	7.50	13,561
8C	Oct. 31, 1981	Oct. 31, 2011	16.75	65,373
				91,060
				$3,063,712

Notes:

(A) Debentures held by the Canada Pension Plan Investment Fund are payable 20 years after their respective dates of issue, are not negotiable and not transferable or assignable but are redeemable in whole or in part before maturity at the option of the Minister of Finance of Canada, on six months' prior notice, when he deems it necessary in order to meet the requirements of the Canada Pension Plan. Amounts are borrowed monthly and consolidated into one debenture annually.

(B) Debentures payable in U.S. currency totalling U.S. $1,029,349,000 are reflected at the rates of exchange in effect at the date of issue.

(C) Canadian dollar equivalent at the rate of exchange in effect at the date of issue of:

7E	Deutsche Marks	40,000,000
7F	French Francs	65,000,000
8C	£ Sterling	30,000,000

(D) The Province maintains sinking funds for the retirement of specific debenture issues which at March 31, 1983 amounted to $567,176,000 (Note 8). At that date the Province also had general sinking funds amounting to $18,641,000. Sinking fund investments consist primarily of Province of Nova Scotia debentures.

Direct Guarantees

as at March 31, 1983

(in thousands)

Bank Loans:			
Sydney Steel Corporation		$229,831	
Halifax-Dartmouth Bridge Commission (1)		89,319	
Nova Scotia Resources Limited (2)		54,019	
Industrial Development Act		18,884	
Nova Scotia Power Corporation		13,664	
Nova Scotia Municipal Finance Corporation		2,040	
The Nursing Homes Act		608	
Livestock Loans Guarantee Act		433	
Small Business Development Act		218	
Novaco Limited		583	
Tidal Power Corporation		43	
University Student Loans		17	
Other		50	$ 409,709
Bonds and Debentures:			
Sydney Steel Corporation:			
U.S. $5,000,000 7¾% Series B due July 1, 1985 (3)	$ 4,958		
U.S. $24,900,000 7⅞% Series C due July 1, 1993 (3)	24,860		
	29,818		
Less: Sinking Funds	1,860	27,958	
Nova Scotia Power Corporation:			
5⅝% Series A due March 1, 1992	426		
6¼% Series B due March 1, 1992	2,500		
7% Series C due March 1, 1992	690		
U.S. $40,000,000 7¾% Series D due March 15, 1997 (3)	39,889		
8⅛% Series E due November 15, 1992	30,000		
Carried forward	73,505	27,958	409,709

Direct Guarantees (continued)

		(in thousands)	
Brought Forward	73,505	27,958	409,709
DM 55,000,000 7% Series F due December 1, 1983-1987 (4)	17,129		
U.S. $30,000,000 8⅛% Series G due July 15, 1998 (3)	29,961		
U.S. $4,000,000 8¼% Series H due May 1, 1984 (3)	3,927		
U.S. $23,500,000 8⅜% Series J due May 1, 1986-1994 (3)	22,929		
9½% Series K due July 1, 1983-1994	3,752		
U.S. $50,000,000 10½% Series L due September 15, 2000 (3)	51,230		
10% Series M due March 1, 2001	50,000		
SF 78,950,000 6¾% Series N due May 10, 1991 (5)	31,038		
9¾% Series O due October 21, 2001	50,000		
9¾% Series P due November 1, 2001	5,000		
9¼% Series Q due February 22, 2002	50,000		
9¼% Series R due February 22, 2002	5,000		
9¼% Series S due July 21, 2002	50,000		
9¼% Series T due July 21, 2002	5,000		
9.45% Series U due December 1, 2002	15,000		
9⅜% Series V due January 10, 2003	50,000		
U.S. $75,000,000 9⅝% Series W due June 1, 2008 (3)	84,034		
10% Series X due December 21, 1998	50,000		
U.S. $43,700,000 9¾% Series Y due May 15, 1989 (3)	50,754		
11¼% Series Z due January 4, 2000	50,000		
11½% Series AA due July 15, 2005	50,000		
15½% Series AB due December 15, 1991/1986	75,000		
15¾% Series AC due January 28, 1988	25,000		
16¾% Series AD due August 10, 1987/1992	75,000		
13½% Series AE due December 1, 2002	100,000		
	1,073,259		
Less: Sinking Funds (3)	81,067	992,192	
Carried forward		1,020,150	409,709

		(in thousands)	
Brought Forward		1,020,150	409,709
Nova Scotia Light and Power Company, Limited:			
5¾% due April 1, 1984	6,979		
6% due April 1, 1986	3,708		
8½% due April 15, 1991	9,953		
	20,640		
Less: Sinking Funds	5	20,635	
Eastern Light & Power Company, Limited:			
5¾% Series A due January 2, 1985		2,100	
Nova Scotia Municipal Finance Corporation:			
11¼% Series A due January 4, 1984-2000	21,250		
11½% Series B due July 2, 1983-1990	9,400		
12% Series B due July 2, 1991-2000	7,000		
13⅜% Series C due December 19, 1983-2000	22,500		
13¾% Series D due December 19, 1983-2000	9,000		
17½% Series E due September 10, 1983-1991	3,348		
15½% Series F due December 22, 1996/1986	35,000		
15¾% Series G due January 23, 1984-1994	22,900		
15½% Series H due July 12, 1992/1987	10,000		
12¾% Series J due November 23, 1983-1987	14,600		
13% Series J due November 23, 1988-1992	10,600	165,598	1,208,483
Mortgages:			
Industrial Development Act		16,583	
Industrial Loan Act		572	
Saint Anne's College		215	17,370
Total Direct Guarantees			$1,635,562

Direct Guarantees (continued)

Notes:

(1) SF 128,987,000 due June 30, 1989		$90,214,000 (A)
Less: Debt Retirement Fund		895,000
		$89,319,000

(A) Reflected at the Canadian dollar equivalent at the rate of exchange in effect at the date of issue. At March 31, 1983, the Canadian dollar equivalent of SF 128,987,000 at the rate of exchange then in effect was $76,657,000.

The Halifax-Dartmouth Bridge Commission has the option of periodically changing the currency in which all or any portion of the loan is maintained among Deutsche Marks, U.S. Dollars and Swiss Francs and is permitted to repay the loan prior to maturity.

(2) Principal due May 31, 1987	SF 84,926,000	$52,000,000
Accrued interest to March 31, 1983	SF 3,305,000	2,019,000
	SF 88,231,000	$54,019,000 (B)

(B) Reflected at Canadian dollar equivalents at the rates of exchange at the dates of issue. At March 31, 1983, the Canadian dollar equivalent at the rate of exchange then in effect was $52,436,000.

Nova Scotia Resources Limited has the option of periodically changing the currency in which all or any portion of the loan is maintained among Deutsche Marks, Canadian Dollars, U. S. Dollars and Swiss Francs and is permitted to repay the loan prior to maturity. Interest expense is being accrued and added to the total of the liability.

(3) Guaranteed bonds and debentures payable in U.S. Dollars totalling $296,100,000 are reflected in this statement at rates of exchange in effect at the date of issue. At March 31, 1983 the Canadian dollar equivalent at the rate of exchange then in effect was $366,305,000. Sinking funds pertaining to these issues are invested in U.S. securities and are reflected in these statements at rate U.S. $1 equals Canadian $1. If reflected at the Canadian dollar equivalent at the rate of exchange in effect at March 31, 1983, sinking funds would be increased by $10,188,000.

(4) Reflected at the Canadian dollar equivalent at rates of exchange in effect at the date of issue. At March 31, 1983, the Canadian dollar equivalent at rates of exchange then in effect was $28,107,000.

(5) Reflected at the Canadian dollar equivalent at rates of exchange in effect at the date of issue. At March 31, 1983, the Canadian dollar equivalent at rates of exchange then in effect was $46,920,000.

This brochure and other Financial Publications may be obtained by writing to:

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Financial Statements 1983

Nova Scotia

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